

## ***The Future of Liberty State Park: Creating a World Class Destination***

### **New Jersey's State Parks: Building a Sustainable Future**

In November 2011, Governor Chris Christie announced his *Sustainable Funding Strategy for New Jersey State Parks*. This comprehensive vision for the long-term stewardship of the State's park system provides a roadmap to improving visitor services and amenities in New Jersey's broad and varied network of state parks, making the park experience more rewarding for visitors, and ensuring that our parks have the resources they need to keep our parks properly maintained. This far-sighted strategy was designed to make certain that New Jersey's state parks and historic sites reflect the very best of the State through responsible management and stewardship.

New Jersey's State Park System encompasses 440,000 acres in 21 counties, and 10 miles of beautiful sandy beaches. It includes 39 active recreation areas with year-round operations. Our state parks welcome more than 18 million people every year. They are among the most popular destinations for New Jersey residents and for visitors from around the country and the world.

An essential element of good stewardship is ensuring that the State has the resources to properly care for our parks. The cost of operating the State Park system is \$39.8 million annually. The parks system now generates just \$11.6 million, or 29 percent of its total cost annually through fees and leases. The remainder comes from the state budget.

With increasing pressure on the availability of general revenue to support the parks system, the State must look to innovative and creative ways to ensure our parks have the resources they need without compromising their mission or their availability to the general public. Generating revenue by providing new amenities to visitors and by providing programs that expand services and offerings is a model that both the National Park Service and numerous states around the country follow with great success. Introducing this proven approach to New Jersey's park system will both help ensure that our parks receive the funding they need while also making them more attractive to visitors.

### **Liberty State Park: A World Class Destination Waiting to be Created**

Liberty State Park, located in Jersey City, is one of the crown jewels of the state park system. Located along the Hudson River waterfront across from lower Manhattan and a short boat ride away from Ellis Island and the Statue of Liberty, Liberty State Park is also the only urban park in New Jersey's state parks system. More than 4 million people visit the park each year to take in

the remarkable views and enjoy the beauty and serenity of nature in the midst of one of the most heavily urbanized areas in the world. Among the 4 million visitors are 600,000 people from around the globe who pass through the park on their way to the Statue of Liberty and Ellis Island and another 600,000 of which visit the Liberty Science Center.



Liberty State Park also functions as a valued public space for the people of Jersey City and other nearby urban communities and as a prime event venue for the entire northern New Jersey region, hosting such diverse events as polo matches and “Tough Mudder” events. And yet, Liberty State Park has the potential to be much more. The park

is underused, and could be drawing millions more visits per year. It could also do much more to serve its visitors by offering more daily programming for locals, especially families and children, much more frequent public events for New Jerseyans, and providing much-needed amenities for tourists.

Like almost every park in the country, Liberty State Park faces serious financial challenges. The Park’s annual budget is \$3.5 million, yet only \$1.5 million in revenues is generated each year, resulting in a \$2 million deficit. In addition, the park superintendent has a backlog of \$35 million in deferred capital maintenance. The park’s annual budget includes little to no money for public programming or new amenities. Overall, the State Park system has \$400 million in deferred maintenance needs.

Liberty State Park could and should be more active. Fortunately, the park presents significant opportunities to develop new attractions, amenities, and programs for visitors which would also provide much-needed revenue to support park operations and capital projects.

By building upon and complementing the existing activities at Liberty State Park—including boating, catered events at the two restaurants in the park, active and passive recreation, entertainment, and tourism— the New Jersey Department of Environmental Protection could simultaneously make it an even greater attraction for New Jerseyans and tourists alike and solve the park’s fiscal challenges.

## **Improving Liberty State Park: Guiding Principles**

Any improvements to Liberty State Park must be guided by a clearly defined set of principles – principles that are designed to both improve the visitor experience and increase revenue without compromising the elements of the Park that draws 4 million people to it annually. In preparing this report, DEP has adhered to the following principles:

- **Liberty State Park’s core strengths must not be compromised.** Liberty State Park is unique in New Jersey’s state park system. The park’s core strengths as a natural oasis in the midst of one of the most densely developed regions in the world and as an unparalleled location for viewing one of the most breathtaking vistas of the built environment, must not be compromised by any changes to the park.
- **New amenities and facilities should increase the number of regular, as opposed to one-time, visitors.** Currently, the limited existing commercial activity is “destination-oriented,” attracting one-time visitors who come for a specific, one-time event. Adding additional amenities will encourage repeat visits and attract new visitors, which will in turn, make the park economically sustainable without the need for funding from General Revenue.
- **Any revenue-producing additions to the park should enhance its appeal as a multifaceted family destination.** The park already offers a variety of active and passive family activities, ranging from playgrounds and large fields to the Liberty Science Center. New activity should be compatible with the park’s reputation as a family-friendly destination.
- **New revenue-producing activities should strengthen the economic base of the region as well as the communities surrounding the park.** The jobs and opportunities provided by new amenities will help boost the local economy and have a multiplier effect across the region.
- **New revenue-producing activity should generate as much income as possible for park operations without intruding on existing park uses.** Liberty State Park is first and foremost a public park and the consideration of any potential partners must complement the Park’s status as a world-class park and cultural attraction.
- **New revenue-producing activity should be open to the public.** This includes cultural attractions, concessions, restaurants, free and ticketed events, and many other potential uses. However, limited private development could be a low-impact and high-revenue-producing option, if it is done in the right place and at the right scale.

Guided by these principles, DEP has developed a vision for Liberty State Park that is consistent with the Governor’s *Sustainable Funding Strategy for New Jersey State Parks*.

## **What Liberty State Park Can Become**

Building on Liberty State Park's existing strengths, and introducing new amenities and facilities into areas that are either underutilized or neglected, will help to transform the park into a world class destination. Of the park's 1,600 acres, only about 38 acres are contemplated for development; 16 of which are the maintenance yard and 12 of which are the Train Shed. In addition, DEP is working to return 240 acres back to public use by remediating the contaminated area in the park's interior. These changes have the potential to draw millions more visits each year while simultaneously generating enough new revenue to make the park self-sustaining.

Liberty State Park will retain the feel of a local park. New activities will be introduced that are compatible with the park's family-friendly reputation, increasing the number of regular park repeat users and drawing new visitors who have not previously considered visiting the park.

## **Models for Park Sustainability**

DEP has explored numerous ways to increase revenues in State parks by using private vendors to provide various services and to offer additional amenities from which the parks would derive revenue as part of the agreement. In developing the recommendations presented in this report, DEP has studied in depth how the National Parks Service and various state park systems around the country address the need for increased amenities that both draw additional visitors and also generate revenue to support both the ongoing and the capital needs of the parks. A brief summary of those efforts is shown below. More detailed information is contained in the Appendix.

In addition, DEP reviewed the 1977 Liberty State Park Study from the Liberty State Park Study and Planning Commission, the 1979 Liberty State Park Master Plan by Geddes, the 1983 Liberty State Park Action Program, the 1987 Senate Liberty State Park Commission Report, the 2001 Liberty State Park General Management Plan and the 2002 Liberty State Park General Management Plan Implementation Strategy. All had slightly different approaches but all recommended additional revenue-generating amenities. These plans are included in the Appendix.

### ***The National Park Service***

The National Park Service (NPS) administers 500 concession contracts with gross receipts totaling \$1 billion annually. NPS welcomes the private sector as a partner, broadening the economic base of the region in general and the communities surrounding the parks. For example:

At **Liberty Island and Ellis Island**, a private concessionaire operates food and gift concessions as well as event planning at Liberty Island & Ellis Island. Food Concessions include Crown Café on the Liberty Island, Ellis Café on the Ellis Island and gift shops with \$13 million in annual revenue. These spaces host cocktail parties, corporate gatherings, political galas, weddings and receptions, fundraisers, movie premieres, and concerts. Six-hundred-thousand people pass through Liberty State Park each year to board ferries that run to these two historic sites.

**Yellowstone National Park** has 71 authorized concessioners operating 9 hotels, 5 campgrounds, 17 restaurants, 52 picnic areas, hiking trails, and marina dock slip rentals. Amenities are offered at market rates.

**Yosemite National Park** offers lodging at 9 different hotels, has 13 campgrounds, 21 restaurants, numerous guided tours, nature and art classes, and guided recreational activities all provided by private vendors under contract to the National Park Service. Amenities are offered at market rates.

### ***The State of New York***

Considerable effort is underway in New York's state parks to upgrade their parks with new amenities. These include plans for partnerships with businesses, local investments in social, athletic, hospitality, and restaurants, bed and breakfasts, and visitor centers.

New York parks include full service hotels, boat rentals, cabins, campsites, cottages, dockage, food and beverage amenities, gymnasiums, performing arts centers, playing fields and RV, tent and trailer camping sites. Amenities are offered at market rates.

### ***The Commonwealth of Pennsylvania***

Pennsylvania state parks include privately run lodging facilities at two parks, and contract with private vendors to offer a wide array of amenities including horseback riding at 30 parks, whitewater rafting at 7 parks, theaters at 4 parks, snowmobiling at 46 parks, and scuba diving at 20 parks. Amenities are offered at market rates.

### ***The State of California***

Beginning in 2012, California launched an effort to enhance revenue generation through upgrading campsites into cabins, new upscale cabin installations, and creation of special events venues for private and public events. Amenities are offered at market rates. The State is reopening a café and hotel to operate through a concession or lease at the Hearst San Simeon State Park.

### ***The Commonwealth of Kentucky***

Kentucky has 17 resort parks with full-service lodges with hotel style rooms, cottages and cabins, dining, golf, swimming, marinas, meeting and conference facilities, hiking trails, nature programming and organized activities for children. Amenities are offered at market rates.

### ***The State of New Jersey***

Over the past four years, DEP has added amenities and events to parks across the state to make them more attractive to visitors and to generate additional revenue for the parks. These include the following.

- At Waterloo Village, we have contracted with Jeffrey Miller Catering (JAM) to host events such as weddings at the park. Since May of this year, has hosted 20 such occasions. JAM has already invested \$250,000 in upgrades to park buildings.
- At Island Beach State Park we have brought in a private vendor to expand the availability of food and beverage options available to visitors. Expanding the swimming season through the end of September has generated an additional \$50,000 in revenue.
- We added a river tubing concession on the Delaware River from Frenchtown to Stockton and used the revenue to improve visitor amenities, security, and parking.
- We have attracted to Liberty State Park large scale events such as the Veuve Clicquot Polo Match which has produced \$50,000 revenue for the Park and \$50,000 for area non-profits, and the Tough Mudder event, attracting 4,000 participants and generating \$225,000 for the park.
- We have improved our special use permitting process which has allowed us to add horseback riding and kayaking at such locations at Wharton State Forest, Double Trouble State Park, and the D&R Canal State Park at Millstone.
- We have also instituted online campaign reservations at every state park, generating additional revenue each year since 2013 and an incremental \$225,000 in 2014.

In the 2011 Strategy we set a goal of generating enough revenue to cover 25% of the operating costs of the state parks by the end of FY 2015. We reached and exceeded that goal, covering 29% of those costs through revenue generated at the parks.

### **Previous Liberty State Park Studies**

Almost from the day the Park opened, the State has been examining ways to improve the visitor experience by adding amenities that will attract more people to the park and raise revenue for its ongoing support. Each of the six different reports summarized below reached similar conclusions about the need for changes to the Park that would help it reach its full potential.

The **1977 Liberty State Park Study** recommended numerous amenities including a *conference center*, *boating*, a science museum, *ball fields* and *ball courts*, community gardens plus many others. The Liberty Science Center now hosts hundreds of thousands of visitors a year.

The **1979 Liberty State Park Master Plan** by Robert Geddes recommended building Liberty Walk which is now enjoyed by millions. Also recommended was adaptation of spaces to the performing arts, *shopping* and *restaurants*. The report also recommended, as we have, “a large urban green park designed in a naturalistic tradition of America’s great pastoral landscape parks.”

The **1983 Liberty State Park Action Program** set priorities for next steps in the Park’s construction and operation, outlined guidelines for its further development. The report reaffirmed major features of the 1977 Study, and recommended *marinas* on the north and south ends of the park, development of the Terminal Complex as a major public gathering place and proposed uses ranging from museums, *restaurants* and *retail*. The report also proposed a small Park Lodge and *amphitheater*.

The **1987 Senate Liberty State Park Commission** report notes that “the development of LSP presents an opportunity to establish a unique urban, environmental, recreational and *commercial resource* for New Jersey Citizens.”

The **2001 General Management Plan** and **2002 General Management Plan Implementation Strategy** focused on strategies to provide public access to the contaminated interior of the park, and enhancing the park’s historic resources.

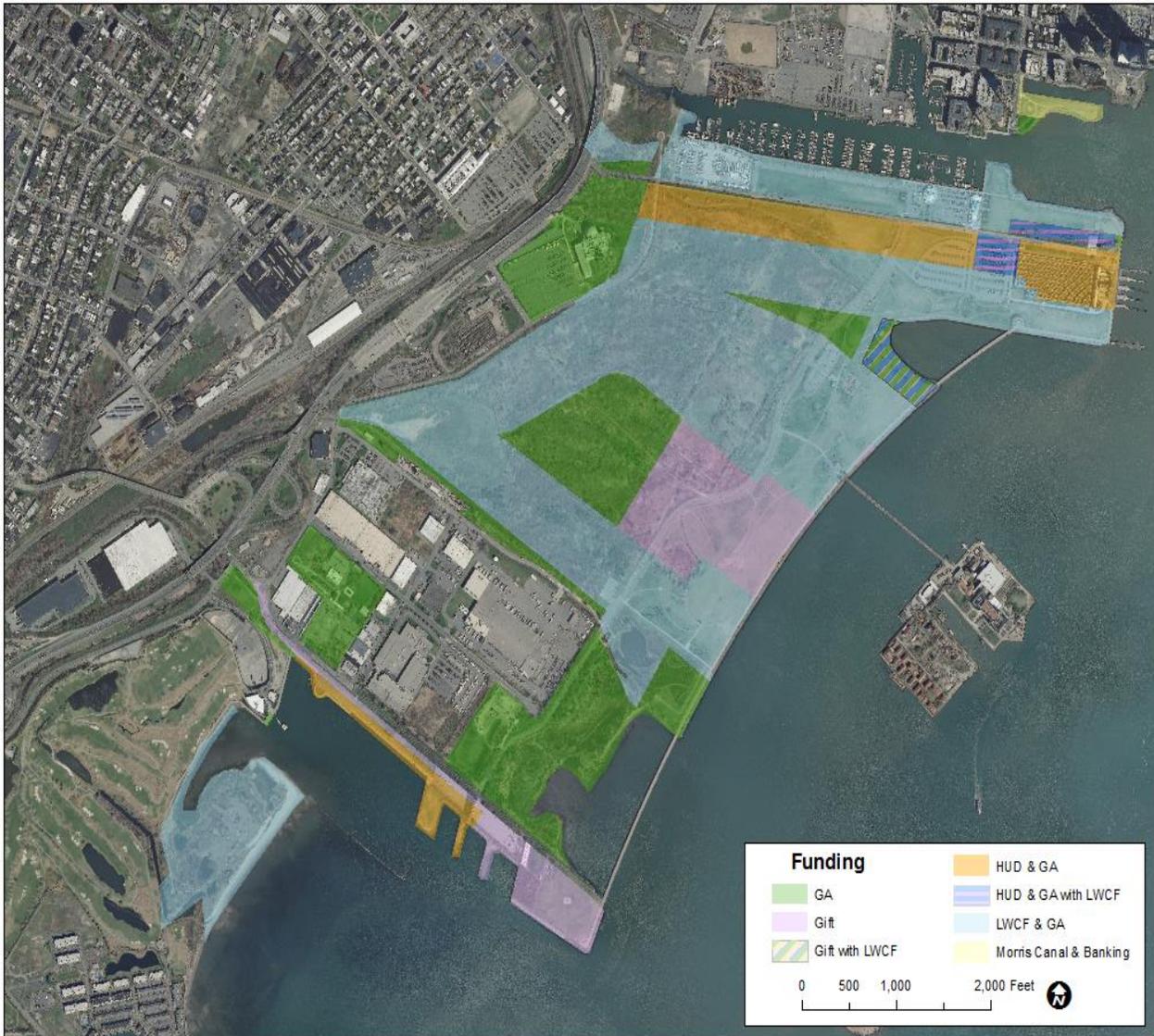
All of these reports are included in the Appendix.

## **What are Some of the Options?**

### **What is Allowable?**

To determine what options might be viable at Liberty State Park, DEP first had to answer a fundamental question: What sort of development, if any, is allowable in the various sections of the park? DEP undertook an extensive, detailed study of the funds used to acquire the various parcels acquired over the years to bring the park to its current size. The parcels of land that make up Liberty State Park have been acquired through gift, Green Acres funds, federal Land and Water Conservation Funds (LWCF), and federal Housing and Urban Development (HUD) funds.

The map below shows the funding sources for the acquisition of the land in Liberty State Park.



DEP then examined the easements or conservation restrictions might limit development throughout the park. The most significant constraints on development attach to properties acquired using LWCF, since any development of these lands must be approved by the National Park Service. The majority of the interior and central zones, as well as significant portions of the northern zone are restricted under LWCF. Notably, properties acquired using Green Acres Funds or HUD funds are also restricted, although there are more development options under these programs.

## What Might Be Viable?

As a result of this extensive analysis, DEP determined that certain amenities and facilities can be developed at the North Zone and the South Zone (shown below). DEP also determined that activities can be offered in the Central Zone. Finally, DEP has begun restoring the Interior Zone, which is currently fenced off and posted, with the intent of eventually making the entire 240-acre area open to the public for recreational use.



To determine what amenities and facilities might enhance the experience of visitors and be economically viable in the North and South Zones, DEP sought expert suggestions about possible future uses of those zones, as well as suggestions on what activities might be attractive to visitors and generate revenue in the Central Zone.

DEP provided a grant to New Jersey Future (NJF) to identify and contract with an urban park consultant to test the viability of Liberty State Park as a world class destination. NJF engaged Biederman Redevelopment Ventures (BRV) to conduct this analysis. BRV is the creator of the largest number of private urban redevelopment projects in the United States.

BVR interviewed and conducted tours of Liberty State Park with 30 leaders and innovators in the fields of real estate development, event production, hospitality, retail, recreation, and urban planning. Over the course of this process, a picture of the practical uses for Liberty State Park has emerged, and BVR was presented with more than 20 “big ideas” from these accomplished experts. BRV’s report is included in the Appendix.

## Ideas for Further Consideration

After studying all of the research and potential ideas developed for making Liberty State Park a world class destination, DEP recommends that the various ideas discussed below be given further consideration. ***The developed aspects of these ideas would take up a very limited amount of space in the park – just 37.8 acres of the park’s 1,600 acres, or less than 2.4 percent of the total area of the park.*** They also use areas of the park that are not now accessible to the public.



## North Zone

The North Zone at Liberty State Park houses two historic structures: the Central Railroad of New Jersey’s Train Shed and its Terminal Building. Through these two structures as many as 40,000 people passed every weekday on their way to ferries that would take them across the Hudson River to their jobs in Manhattan. Countless numbers of immigrants also used these facilities to travel from Ellis Island to their new homes in America.

## The Train Shed

In the earliest State plans for the park, the historic Central Railroad of New Jersey Train Shed was slated for demolition. Fortunately it was spared, but due to years of neglect it is in an advanced state of disrepair. Covering the equivalent of 11 football fields, and filled with asbestos-laden concrete, the cost to restore or even stabilize this massive structure is enormous; estimates climb as high as \$100 million. And if it was restored, the question remains, “To what purpose?”



The State has not and does not have the ability to spend the money necessary to rehabilitate the Train Shed and no one has identified any use of the shed alone that would justify such an investment.

However, the train shed could be reused in whole or in part, and any developer or concessionaire that benefits from this reuse would have an interest in paying a portion of these rehabilitation costs.

New Jersey's Historic Preservation Office has indicated that preserving only part of the shed—its perimeter and exterior “look” —could be acceptable given the current state of the structure and the near impossibility that it could be preserved in its entirety.

BVR identified three uses for the train shed that would preserve its perimeter, house new, revenue-generating tenants, and offset some or all of the State's costs to restore it. The three ideas BVR discussed are:

- A low-rise hotel within the envelope of the train shed;
- Re-creation of famous restaurants (past and present) from all over New Jersey;
- A museum tied into the historic use of the space and its location, such as a national museum of immigration or a museum of transportation and technology.

DEP recommends that these ideas (and others that may arise) be further explored by an outside project planner and that the planner present to DEP those options for the use of the space that address the rapidly deteriorating condition of the train shed, honor its history, attract increased numbers of visitors, and generate revenue for the Park.

## Terminal Building

The historic Central Railroad of New Jersey train terminal building has impressive architecture and interiors. Unfortunately, its layout, designed to move rail passengers quickly and efficiently to ferry boats, is not terribly practical for other uses, and its size limits what activities might be possible within it.

The interior layout has been changed radically at least three times over its life; most recently the interior was destroyed by Superstorm Sandy. As the State completes rehabilitation from storm damage we do not intend to reintroduce security screening for the Statue of Liberty and Ellis Island into the building. There are better uses to which this space should be put.



Previous efforts to rent the building for events and conferences were not successful. The biggest obstacle is the lack of an adjoining hotel, which makes the market for such events almost non-existent. Lacking an on-site caterer or commissary, the facility is at an even greater disadvantage.

Four possible options have been discussed. They are:

- Restaurant/bar with indoor and outdoor seating to take advantage of the incredible views of Lower Manhattan and New York Harbor, along with shops and stores
- Event/conference center
- Small event/catering hall combined with smaller cultural uses (artist studios, art galleries), theater
- Lease the building to an adjoining hotel in the Train Shed.

DEP recommends that these ideas (and others that may arise) be further explored by an outside project planner and that the planner present to DEP those options for the use of the space that address honor the Terminal's history, attract increased numbers of visitors, and generate revenue for the Park.

In any event, a comprehensive architectural lighting scheme for the eastern facade that faces Manhattan is recommended to build an identity for the building and the park. New Yorkers and tourists have clear views of the terminal from the west side of Manhattan, but most are completely unaware of what the building is; many think it is

Ellis Island. Architectural lighting of this historic and beautiful structure would enhance the building's prominence, both now as a development opportunity and in the future as an event space or cultural attraction.

### **Challenges in the North Zone**

There are three major challenges to development for the northern zone of Liberty State Park.

- The first is parking, which is already insufficient for any event of significant size.
- The second is the lack of easy access to downtown Jersey City.
- The third is the deteriorated condition of the ferry slips.

Extending the use of the Terminal Building and adding use of the Train Shed can add the revenue necessary to increase parking in suitable locations.

Building a pedestrian bridge across the Morris Canal Basin to connect the park to downtown residents and office workers would make the North Zone easily accessible to downtown Jersey City. At an estimated total project cost between \$7 and \$10 million, depending on location and the technology employed, we believe that private developers and owners of nearby office towers would contribute toward this and that enhanced revenues from the park could also help defray the cost of construction.

A project to completely rehabilitate the ferry slips outside the Terminal so that they can be made operational is currently in the design phase. DEP is working with the Port Authority and New York and New Jersey to effectuate the design and rehabilitate the ferry slips.

### **Central Zone**

The Central Zone of Liberty State Park contains the vast majority of its open space and serves as home to the park's largest events. The key to improving this section of the park, to drawing more people, and to generating more revenue is to build upon these existing activities. This area should have no permanent structures and should be devoted to passive recreation. Realizing this vision requires two simple initiatives.

#### **Event Management**

Park staff currently manages events. They do a great job with limited resources and have successfully brought and managed some large events to the park, but it is not their expertise and not the primary focus of their jobs. DEP should contract with a third party event planning firm who could market events, book events, negotiate fees, and help the event producer with applications and permits.

### Daily Public Programming

Offering a comprehensive variety of programs, activities, and amenities for the public would greatly increase the number of visitors to – and generate revenue for – the park. The current limited number of daily events should be greatly expanded. They could include:

- Art classes
- Author readings
- Bike racks and bike rentals
- Dance bands
- Farmers Market
- Fitness classes
- Ping pong
- Poetry slams
- Vendor Carts
- Walking Clubs

These new events and programs would help to draw people to the park, keep them there longer, and give them reasons to visit more frequently. While some events can be managed in-house, engaging third parties to develop and run programming on a day-to-day basis should be considered as a way to increase the number of events – and the potential revenue – without diverting the park’s staff from their other duties. These partners can range from large institutions such as Liberty Science Center, universities, and museums, to nonprofits and small businesses. The BVR report identifies more than 100 such events and activities that are being successfully offered at other parks in the region and around the country.



## Interior Zone

### Remediation and Restoration

The 240-acre interior is contaminated and is dominated by invasive species. Readily visible to park visitors, the area has been closed for nearly 20 years. Surrounded by a high chain link fence and posted with warning signs, its presence detracts from the overall appearance of the park, and precludes use of much of the park.



After many years, the process of remediation has finally begun. DEP's Office of Natural Resource Restoration has developed two restoration projects for the Liberty State Park interior.

A 23-acre, \$7.23 million freshwater wetlands restoration project is underway. Captured storm water runoff will be channeled to a small pond and allowed to slowly infiltrate to ground water. A series of trails with interpretive signage will connect the project to the Science Center and the existing trail system of the park. This project breaks ground at the end of 2015 and should be completed during 2016.

Plans to restore the remaining 217 acres include the creation of a coastal salt marsh, the capping of all contaminated soil, reestablishing upland forest and grassland habitat, and creating an extensive trail system. The Natural Resource Damages (NRD) funds, including those from the Passaic River settlement, will be used to fund the restoration.

Once completed, the entire 240-acre Interior zone will provide a beautiful, natural area unlike anything else in the area that families and the community will be able to enjoy.



Accessible by interpreted walking trails, the restored interior will also provide educational opportunities otherwise unavailable within the communities surrounding the park.

### South Zone

The South Zone contains two areas that make sense for development. As visitors enter the park, just a few hundred yards from the New Jersey Turnpike, they pass by a neglected waterfront on one side and the park's maintenance yard on the other.



This hardly presents the sort of appealing welcome one should be able to expect at New Jersey's only urban park.

Adding attractive, family-friendly amenities to this area would provide a much more dramatic and welcoming entrance to the park.

The waterfront at the park's entrance contains 3 jetties in various states of disrepair. The New York Sailing Club currently moors a raft and docks just off shore in this area of the park. It is not associated with the park and the state receives no revenue from its activities.



The maintenance yard covers 16 acres of the park and is piled, not only with park equipment and supplies, but also with debris from Superstorm Sandy.

The South Zone has been identified as a logical location for new recreation and entertainment venues. They could include:

- Boathouse and marina;
- Field house for indoor sports;
- Amusement park;
- Outdoor amphitheater.

DEP recommends that these ideas (and others that may arise) be further explored by an outside project planner and that the planner present to DEP those options for the use of the space that restore these poorly maintained locations within the park to beneficial use, attract increased numbers of visitors, and generate revenue for the Park.

## **Potential Revenue**

The master planner's analysis of best possible uses for the North and South zones should also include estimates of what each option could potentially produce in revenue for the Park. Such estimates should help guide – but not fully determine – which options to pursue and which to dismiss.

## **Recommendations**

DEP makes the following recommendations:

- The State should hire a master planner to analyze the areas identified within the park for the creation of amenities that will honor the essential nature and character of LSP, enhance its appeal to visitors, increase the number of first-time and repeat visitors, and produce revenue for the park.
- The master planner should use this report and its Appendices to focus its work.
- The master planner should propose a plan for implementing a phased approach to whatever new facilities/amenities are proposed for the park.
- DEP should begin a stakeholder process to make this report available for discussion with local leaders, community members, and other stakeholders.